

UNITED STATES BANKRUPTCY COURT  
FOR THE EASTERN DISTRICT OF MICHIGAN  
SOUTHERN DIVISION

In re:

KNOX CLINIC CORPORATION

No. 22-40018-MLO

Debtor.

Chapter 11- SUB V  
Hon Maria L. Oxholm

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**PATIENT CARE OMBUDSMAN'S SECOND REPORT**

Deborah L. Fish, patient care ombudsman, appointed by order dated January 25, 2022 (Docket #37); and in accordance with Section 333 of Title 11 of the United States Bankruptcy Code (the "Code"), submits this report on the status of the quality of patient care in the Chapter 11 Sub Chapter V case of Knox Clinic Corporation, (the "Debtor"). This written report covers the period from March 23, 2022 to March 24, 2022 and updates the written report filed on March 23, 2022. It is based email communications with Dr. Sanjay Sharma and Dawn Tatro who is head of human resources and chief of clinic operations in Illinois and a call with Dawn Tatro and counsel for the Debtor.

**INTRODUCTION**

The Debtor filed a petition under Chapter 11 of the Code on January 4, 2022. The Debtor is a multifaceted health care entity.

The Debtor currently operates its family medical care practice (primary care and limited women's health services) from its leased location at Galesburg Cottage Hospital 834 N. Seminary Street Galesburg Illinois. The Debtor is currently servicing approximately 12,000 patients and expects this number will continue to decrease as non-family practice patients' transition

away from the clinic. The Debtor currently employs 42 people. This number may be reduced as the number of patients decreases.

### **CURRENT STATUS ON LIST ON CONCERNS**

In the report I filed yesterday I listed five current concerns. In summary, they were Medical records request backlog, communication with staff, resignation of head of HR and clinical operations, cash-flow potential issues, and the lease of clinic location. Although I indicated the Debtor was addressing these areas of concern, the Debtor has since yesterday made significant changes which I felt needed to be reported to the court, interested parties and patients.

Head of clinical operations: Dawn Tatro has been re-hired and will be resuming her role as head of clinical operations and as the HR department.

Medical records: The Debtor has 2 staff members to assist in medical records request fulfillment and is currently training a third. The Debtor is looking to hire temporary medical records clerks and will assign current staff to help whenever possible. Dawn Tatro will supervise the reduction of the backlog and will report the progress to me on a weekly basis.

Communication: My report indicated the communication needed to improve and that the Debtor was committed to provide better communication to the staff. Additionally, Dawn Tatro will assist in this communication as she did and will continue to respond to calls, emails and walk through the clinic to address issues, concerns and provide direction, if needed.

Cash-Flow: The Debtor is closely monitoring cash flow and I should note that the Debtor does provide the UST analyst and attorney, the Sub V trustee, and me with cash flow projections which are updated on a weekly basis. It was raised as a concern to be monitored because of the downsizing of the clinic. It is especially important to examine the downsizing effect on cash-flow so as to not be caught off guard and not be able to make payroll or purchase necessary sup-

plies. Either of these scenarios would have an immediate adverse effect on the quality of patient care. The Debtor is also addressing its private pay account receivables and hiring a third party collection agency. These collection efforts should increase cash flow in the late May or June.

Leased facility: The Debtor will provide updates on the status of the lease.

### **CONCLUSION**

While there are areas of concern, the Debtor has taken immediate action to address issues. The Debtor will be closely monitored; however, to date patient care has been delivered in the same manner post-petition and with the same quality of care as it was pre-petition for women's health until it closed on March 15, 2022 and for the family practice which remains open. The medical records department is not operating at the same manner as it did pre-petition due to the increased volume of requests and that deficiency is being addressed by management as noted above the Debtor has re-assigned employees to quickly rectify the issue. I will provide an update on medical records as soon as I am advised that the backlog has been significantly reduced. I will file additional reports as necessary or required under the code. Additionally, I will instruct the Debtor to post a copy of this report on its web-site and at the clinic.

/S/Deborah L. Fish  
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Dated: March 24, 2022  
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